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of university credit cards being used for "unallowable" purchases at three major higher education institutions, including Washington State University.

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The Washington State Auditor's Office published a report last month detailing cases of university credit cards being used for “unallowable” purchases at three major higher education institutions, including Washington State University.

After looking at \$2.9 million in credit card purchases by WSU employees during fiscal year 2012, the Auditor's Office found \$28,438 were spent on purchases not allowed by state policies, such as personal gifts, interdepartment purchases and alcohol. They also found \$4,053 in purchases were not supported by proper receipts and around \$32,000 were not coded accurately.

The report recommended tighter internal controls on what employees can buy with their cards, improved documentation supporting their purchases and better coding of its transactions.

Auditor's Office spokesman Thomas Shapley said the report is the office's interpretation of where the credit card purchases fit within state policies and how the university can improve its practices.

“Our job is to call them what we see them,” Shapley said of the audit report's findings.

For example, the report said WSU spent \$5,890 for hand-held electronic devices, like iPads, that were engraved with an employee's name. Shapley said credit cards are not supposed to be used for personal purchases. By engraving the employee's name on the device, he said it's then considered “a personal gift.”

He said it would have been acceptable, instead, to engrave an identification number

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WSU, along with the University of Washington and Western Washington University, sent a letter back to the auditor's office in response to the findings. Barry Johnston, associate vice president of finance at WSU, wrote a letter stating that while certain improvements needed to be made, the university contended some of the report's findings.

In regard to the iPads, Johnston wrote the university was initially not aware of the engravings. After investigating the issue, he wrote the employees had their names engraved for "what they thought was greater security of the portable resources." He said the iPads have been tagged with university property inventory numbers.

Johnston could not be reached for comment, but Terry Ely, executive director for WSU business services, said the university has put out a notice warning employees against engraving their name on items.

As for the alcohol purchases, Ely said the Auditor's Office felt that every purchase with a credit card had to follow the state's laws regarding how state dollars are spent.

But, she said the alcohol purchases were made using discretionary funds, not state dollars. Ely said it is the university's understanding that discretionary funds, which are provided by donors and fundraisers, could be used for alcohol purchases and asked the state to better define its policies on the matter.

"The state is already working to clarify purchasing card regulations," she said.

Ely said, overall, the auditor's findings were "very minor" as the unallowable purchases comprised less than 1 percent of the total amount of dollars the office investigated.

Ely said the coding issue was simply a matter of the auditor and the university

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